



General Assembly

January Session, 2005

**Committee Bill No. 6029**

LCO No. 4573

\*04573HB06029ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**AN ACT CONCERNING MAXIMIZATION OF THE VALUE OF  
ELECTRIC UTILITY RATEPAYER ASSETS IN DISPOSITION OR  
LEASING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16-43 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2005*):

4 (a) A public service company shall obtain the approval of the  
5 Department of Public Utility Control to directly or indirectly (1) merge,  
6 consolidate or make common stock with any other company, or (2)  
7 sell, lease, assign, mortgage, except by supplemental indenture in  
8 accord with the terms of a mortgage outstanding May 29, 1935, or  
9 otherwise dispose of any essential part of its franchise, plant,  
10 equipment or other property necessary or useful in the performance of  
11 its duty to the public. Any such disposition of an essential part of such  
12 other property of a public service company shall be by public auction  
13 or other procedure for public sale, provided such auction or public sale  
14 shall be conducted upon notice of auction or sale published at least  
15 once each week for two weeks preceding the date of such auction or

16 sale in a newspaper having a substantial circulation in the county in  
17 which such property is located. The public service company shall  
18 submit evidence to the department of the notice given. On a showing  
19 of good cause by such company to use a means of disposal other than  
20 by public auction or other procedure for public sale, the department  
21 may, on a finding of such good cause, authorize the use of an  
22 alternative sales process. A public service company other than a water  
23 company may sell, lease, assign, mortgage or otherwise dispose of  
24 improved real property with an appraised value of two hundred fifty  
25 thousand dollars or less or unimproved real property with an  
26 appraised value of fifty thousand dollars or less without such  
27 approval. The department shall follow the procedures in section 16-50c  
28 for transactions involving unimproved land owned by a public service  
29 company other than a water company. A water company supplying  
30 water to more than five hundred consumers may sell, lease, assign,  
31 mortgage, or otherwise dispose of real property, other than public  
32 watershed or water supply lands, with an appraised value of fifty  
33 thousand dollars or less without such approval. The department shall  
34 not accept an application to sell watershed or water supply lands until  
35 the Commissioner of Public Health issues a permit pursuant to section  
36 25-32. The condemnation by a state department, institution or agency  
37 of any land owned by a public service company shall be subject to the  
38 provisions of this subsection. On February 1, 1996, and annually  
39 thereafter, each public service company shall submit a report to the  
40 Department of Public Utility Control of all real property sold, leased,  
41 assigned, mortgaged, or otherwise disposed of without the approval of  
42 said department during the previous calendar year. Such report shall  
43 include for each transaction involving such property, without  
44 limitation, the appraised value of the real property, the actual value of  
45 the transaction and the accounting journal entry which recorded the  
46 transaction.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	July 1, 2005	16-43(a)
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***Statement of Purpose:***

To achieve the highest value for rate payers on disposition of utility company assets.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: REP. MEGNA, 97th Dist.

H.B. 6029